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## The Resolutions of the War Emergency Congress of the United States Chamber of Commerce<sup>1</sup>

*Cancelling War Contracts.* It is in the public interest that all war orders placed by any contracting agency of the government and accepted in good faith, whether formally and regularly executed or not, should, upon cancellation by such contracting agency, be promptly and equitably adjusted and satisfied as if every formality had been observed, and when so adjusted the amount ascertained to be due by the government should be promptly paid to the end that these funds may be utilized by the industries of the country to speed their transition from a war to a peace basis.

If it should be ascertained that legislation is necessary or desirable to accomplish this end, Congress should forthwith enact such legislation.

Officials dealing with questions of adjustment on account of war orders must necessarily be familiar with all the conditions affecting the order. It will greatly promote expedition and the interests of both the government and private enterprise for the officials who made the contracts to remain in the government service to participate in the readjustments.

*Surplus Supplies.* Under date of November 29, 1918, the Secretary of War issued a public statement, *i.e.*, "To prevent too violent dislocation of industry from the standpoint of both employe and employer, accumulation by the war department of either raw material or finished product will be distributed when and where liquidation of such supplies will least interfere with the return of industry to normal condition." Such action would seem to insure the stability of the industries affected which fully appreciate this liberal position.

Therefore the war service committee of American industries

<sup>1</sup> The following resolutions bear only in part on the problem of a reconstruction labor policy. Labor questions, however, are so closely interrelated with other problems of reconstruction that the editor has judged the following pronouncement of organized business (last general session of the War Emergency Congress of the United States Chamber of Commerce at Atlantic City, December 4-6, 1918) to have sufficient interest and importance to warrant its inclusion in a volume given over exclusively to the subject of labor.

hereby tender to the war department their services for their respective industries for the purpose of advising with and assisting the war department in the disposition of such materials.

*Removal of Restrictions.* It is in the public interest that all war regulations of industry should be revoked and all war restrictions on industry should be removed as speedily as practicable, save such industries as are engaged in the production, preparation or distribution of foods, feeds, and fuel and such last named group of industries should be freed from war regulations and restrictions as early as consistent with the welfare of this nation and of the Allies.

*Pivotal Industries.* Conditions brought upon us by the European war at its beginning, as well as our national necessities after we entered the war, made it of the highest importance that a number of industries should at once be developed in the United States. Large investments, both of capital and skill have since been placed in these enterprises. Upon the production of some of them, relatively small in themselves, the continuation of some of our largest industries has depended. Some of the recently developed industries have national importance in fields much broader than the markets of their products; for they may serve for example, to promote scientific research, which will add to national efficiency, resources, and wealth in many distinct ways.

It becomes essential, therefore, that the government should at once proceed to ascertain the industries which have been developed during the European war and ascertain those, the maintenance of which are indispensable for the safety of our industrial structure and our military establishment.

When these pivotal industries have been ascertained, means suitable in view of their nature, and situations should at once be provided for their encouragement and preservation.

*Industrial Coöperation.* The war has demonstrated that through industrial coöperation great economics may be achieved, waste eliminated and efficiency increased. The nation should not forget, but rather should capitalize these lessons by adapting effective war practices to peace conditions through permitting reasonable coöperation between units of industry under appropriate federal supervision.

It is in the public interest that reasonable trade agreements

should be entered into, but the failure of the government to either clearly define the dividing line between those agreements which are, and those which are not, in unreasonable restraint of commerce, or to provide an agency to speak for it on application of those proposing to enter into such agreement in effect restricts both industry, and the general public of its benefits. The conditions incident to the period of readjustment renders it imperative that all obstacles to reasonable coöperation be immediately removed through appropriate legislation.

*Federal Trade Commission.* The Federal Trade Commission was advocated by the President, and was created, as an agency to make the administrations of our trust legislation explicit and intelligible, and to provide "the advice, the definite guidance and information" which business enterprises require. The normal importance of the commission's task is now tremendously increased by the imperative need for whole-hearted and sympathetic coöperation between the government and industry especially during the readjustment period and suggests the desirability of the two existing vacancies in the commission's membership being promptly filled with able men of broad business experience and clear vision prepared to assist actively in discharging these tasks along constructive lines.

*Industrial Relation.* The convention heartily endorses in letter and spirit the principles of the industrial creed so clearly and forcibly stated in the paper read to it Thursday morning by Mr. John D. Rockefeller, Jr., and urges upon all units of industry where they may not be employed—the application of such principles.

*Relocation of Labor.* The conversion of the industry of the country from a peace basis to a war basis involved a general and important dislocation of labor. This movement was gradual. The end of the war involves a much more rapid change in industry; while there will be a great demand for labor to meet the foreign and domestic requirements there may be for a time in special places a temporary condition of unemployment.

In the new relations of industry to labor we conceive it to be incumbent upon the community affected promptly to meet such conditions.

*Public Works.* The development of public works of every

sort, as recommended by the president, should promptly be resumed, in order that opportunities of employment may be created for unskilled labor.

*Taxation.* The cessation of hostilities brings to business interests a feeling of deep concern in the matter of taxation. The problems of readjustment are made more difficult through inequalities in the present law.

We believe, therefore, that in the consideration of amendments to the present act, or the passage of new revenue legislation to the views expressed by organizations of commerce and industry. Ability to pay, inventory values and proper reserves together with careful survey of the amount of revenue required under the new conditions are matters of vital importance to business interests of the nation during this readjustment period.

*Inventories.* We urge that Congress should give careful consideration to the grave menace now facing all industry due to the fact that both raw materials and finished goods are carried in full measure to meet the extraordinary requirements of the government and of the people, and that in large part the stocks have been acquired at abnormal cost and are therefore carried into inventories at inflated values, thereby showing apparent profits which have not been realized, and which probably will never be fully realized. These are largely bookkeeping or "paper" profits, and should not be used as a basis for taxation.

We therefore recommend that any tax law shall provide that during present conditions the taxpayer shall be allowed to make a deduction from his apparent profit by way of a reserve for a subsequent shrinkage in the value of merchandise.

We believe that the interests of the government can be protected against abuse of this privilege by the fixing of a maximum percentage of deduction to be allowed, and by the use of proper methods of inspection and appraisal.

*Railroads.* The Congress of the United States should speedily enact legislation providing for the early return under federal charters to their owners of all railroads now being operated by this government under federal regulations permitting the elimination of wasteful competition, the pooling of equipment, combinations or consolidations through ownership or otherwise in the operation of terminals, and such other practices as will tend to economies without destroying competition in service.

*Means of Communication.* We are opposed to government ownership and operation of telegraphs, telephones and cables.

*Merchant Marine.* We recommend that the construction of a great merchant marine be continued and amplified, and that its operation under American control be kept safe by such legislation as may be necessary to insure its stability and its lasting value to American industries.

*Port Facilities.* The recommendations of the Port and Harbor Facilities Commission of the United States Shipping Board for development ports are supported. Vessels of foreign register needed for our commerce by sea are attracted to those ports which are best fitted to coal, to load and to unload cargoes, and thus provide means for a quick turn-around.

After ascertaining the port facilities of European countries, and their plans for further development, the commission has recommended that there should be a local port commission at each of the important ports upon our coasts, that upon these commissions there should be representatives of industrial, commercial and railroad interests centering at the port, that facilities should be installed to meet the needs of the port, and that a zone system should be arranged by which exports and imports would flow through those ports which are within economic transportation distance of the points of origin and destination.

There should be coöperation with the Facilities Commission in its task of expanding means which will enhance the position of the United States among maritime nations.

*Public Utilities.* Public utilities have faced difficult problems, which have been accentuated by conditions arising out of war. The development and efficiency of such a utility as local transportation has immediate importance for every community.

It is recommended that the Chamber of Commerce of the United States should appoint a committee to investigate and study the question of local transportation as it relates to the control of rates and service, franchises, taxes, the attraction of capital into the business, and such other questions the committee may find pertinent. Such a committee should report its recommendations to the board of directors of the National Chamber, and the board should deal with them in accordance with the established procedure of the chamber.

*Water Powers.* Industrial activity is dependent upon the available supply of power. A bill which would affect the development of hydro-electric power upon waterways and lands which are subject to federal jurisdiction is now before a committee of conference between the two houses of Congress. It is important in the public interest that federal legislation on this subject should be enacted without further delay. We accordingly urge that the conference committee arrive at an acceptable form of legislation in season for enactment at this session of Congress.

*International Reconstruction.* In war we have made common cause with the Allies. We should likewise make common cause with them in seeking the solution of the immediate problems of reconstruction which they face, because of the efforts they put forth in the war. These problems peculiarly depend for their solution upon commerce.

Raw materials and industrial equipment which we possess the Allies urgently require, that they may reconstitute their economic life. We should deal generously with them in sharing these resources.

In order that we may share our materials with the Allies, we must also provide them with credits through which they may make the necessary payments.

Our ocean tonnage must supply our troops overseas and help to provision the inhabitants of war-devastated regions. The part of our ocean tonnage not required for these paramount needs, and vessels of associated countries which are in a similar situation, should be entered into the common service of all nations. This common service should secure to all nations their immediate needs of food, raw materials, and transport for their products.

*European Commission.* The business men of the United States, having devoted their energies and resources toward the winning of the war, regardless of sacrifices or burdens, in support of the principles for which this country fought, appreciate the necessity of continuance of unremitting effort in order that the world may be restored to normal conditions as quickly as possible and the blessings of peace brought to all peoples.

In the accomplishment of these results the highest efficiency of the great commercial and industrial powers of our own country

and that of the Allied nations will be developed only through coöperative effort and common counsel.

In order, therefore, to contribute to the fullest toward the prompt solution of the problem presented, the Chamber of Commerce of the United States is requested to enlist the coöperation of national bodies devoted to the extension and promotion of American commerce and particularly foreign trade, in the appointment of a commission representative of American business, which shall proceed without delay to Europe and establish machinery for the following purposes:

A. To study at first hand the reconstruction needs of European countries in conjunction with business men of these nations in order to advise the business men of the United States as to how they may be most helpful in meeting the necessities of Europe and caring for the interests of American industry and commerce.

B. To be available to the peace delegates of the United States for any needed information which they may be able to present or for any other aid which may be given by the business men of the United States through the medium of such a commission.

The Chamber of Commerce of the United States also is requested to appoint members of the commission to represent the business men of the United States at the forthcoming meeting of the International Congress of Chambers of Commerce.

*European Committee.* Many other suggestions were received and considered. All of them will be transmitted to the Chamber of Commerce of the United States for its information.

*Foreign Trade Markets.* We strongly urge upon our government the vital necessity of encouraging and developing our foreign trade through all appropriate means possible, in order that the production of industry may afford employment to wage-earners and prosperity to the nation.

*South American Relations.* It has long been the policy of this nation to cultivate relations of close sympathy with the nations of the Western hemisphere as expressed in the Monroe Doctrine. We believe that these relations should be supplemented and strengthened by a vigorous development of our commercial and financial associations with our neighbors of North and South America.

The government's control of shipping should be brought to



the accomplishment of this purpose as soon as it is consistent with other urgent needs, and the work of the Pan-American Union should be continued and broadened in scope.

*Property Rights in Mexico.* By provisions in a constitution adopted while much of the country was engaged in civil strife, and through subsequent legislation, Mexican authorities have threatened rights acquired by Americans in good faith, especially in minerals, including petroleum. Against threatened confiscation the American government made formal protests. The attitude taken by the American government is heartily commended as in accordance with obvious justice.

*Education for Foreign Trade.* In the larger opportunities which are to be opened to American business men to play a part in the international commerce of the world the need will be felt for more men who are trained to a knowledge and understanding of the language, the business methods and the habits of thought of foreign lands. Complete success can only come to those who succeed in putting themselves into full accord and sympathy with the peoples with whom they are to deal.

We urge upon our industrials that they take steps to provide opportunities to young men to obtain an education in the practices of overseas commerce and finance and in the practical use of foreign languages.

We call the attention of the various departments of government and to educators to the importance of this matter and ask that special efforts be made to supplement the valuable work already done and to open up every facility to the furtherance of a successful prosecution of this educational work.

*Forest Products.* The Forest Products Laboratories, of the United States Forest Service, have rendered valuable service through scientific investigation of the physical properties of American woods and their adaptability for structural, industrial and ornamental usage. It is of great importance to American industry that the government should extend and adequately maintain the work of the forest products laboratories.

*Cost Accounting.* It is the sense of this convention that uniform cost accounting should be adopted by industries.

*National Trade Association.* The experiences of the war have clearly demonstrated the value of national trade organizations and their service to the country as well as to industry.

This conference heartily approves the plan of organizing each industry in the country in a representative national trade association and expresses the belief that every manufacturer, jobber and producer of raw materials should be a member of the national organization in his trade and cordially support it in its work.